

**Application**  
**Addendum**  
**for a**  
**BUSINESS ASSISTANCE**  
**Rural Community Block Grant**  
**to Construct Infrastructure**  
**by**  
**Bonneville County**  
**in support of the**  
**Eagle Rock Enrichment Facility**  
**(AREVA Enrichment Services LLC)**  
**June 21, 2010**

**Roger Christensen, Chairman**  
**Bonneville County Commissioners**

**Prepared by:**





# BONNEVILLE COUNTY, IDAHO

## BOARD OF COMMISSIONERS

ROGER S. CHRISTENSEN, CHAIRMAN, DISTRICT #1  
DAVE RADFORD, DISTRICT #2  
LEE STAKER, DISTRICT #3

605 NORTH CAPITAL AVENUE  
IDAHO FALLS, IDAHO 83402  
OFFICE: (208) 529-1350  
EXTENSION 1360  
FAX: (208) 529-1311  
TDD (Hearing Impaired): (208) 529-1103

June 21, 2010

Donald Dietrich, Director  
Idaho Department of Commerce  
P.O. Box 83720  
Boise, ID 83720-0093

Dear Director Dietrich:

Bonneville County respectfully submits this addendum to our application for an Idaho Rural Community Block Grant. The Eagle Rock Enrichment Facility (EREF) will be constructed at a rural site in Bonneville County approximately eighteen miles west of Idaho Falls on Highway 20.

The facility will employ approximately 250 individuals during the initial startup of operations and has the potential to employ up to 420 individuals. The facility, when fully operational, is to be a continual operation year round with three shifts at full operation. All of the employees will need to travel to the site via Highway 20. This necessitates that appropriate safe access (ingress and egress off highway 20) to and from the site be constructed, this public infrastructure project on Highway 20 will provide both for the safety of the employees as well as for all travelers on Highway 20.

Bonneville County supports the project and will sponsor the public works project. AREVA Enrichment Services LLC (AES) will invest several billion dollars to construct the EREF facility and will contribute funding to partially cover the costs of the Highway 20 infrastructure improvements.

We appreciate your consideration of our \$500,000 RCBG grant request along with the \$250,000 Business and Jobs Development Fund, committed in December 2007.

Sincerely,

A handwritten signature in cursive script that reads "Roger S. Christensen".

Roger Christensen, Chairman  
Bonneville County Commission

enc.

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## D. APPLICATION INFORMATION

### IDAHO RURAL COMMUNITY BLOCK GRANT

Applicant: Bonneville County Address: 605 N Capital, Suite 102, Idaho Falls ID 83402

Chief Elected Official: Roger Christensen, Commissioner Phone: (208) 529-1350 x 1360

Project Prepared By: Ted Hendricks -The Development Company Phone: (208) 356-4524 x 312  
and Rick Miller – The Development Company at extension 314.

Address: 299 East 4<sup>th</sup> North; Rexburg ID 83440 Email: ted.hendricks@ecipda.net

Architect/Engineer/Planner: AREVA Enrichment Services in coordination with the Idaho  
Department of Transportation

AREVA Enrichment Services Phone: (208) 227-9440

Address: 1070 Riverwalk Drive, Suite 150, Idaho Falls, ID. 83402

Idaho Dept of Transportation at Rigby, Idaho Phone: (208) 745-7781

Project Area Population: Bonneville County – 81,388 (9 County east Idaho Population – 159,948)  
Other Idaho Counties with economic ties to the INL – Bannock 23,395, Bingham 9,029 and Butte  
2,751.

#### PROJECT FINANCING:

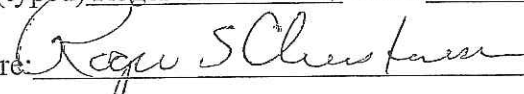
SOURCE	AMOUNT	DATE APPLICATION SUBMITTED	RESERVED/ CONDITIONAL AWARD	FUNDS COMMITTED/ CONTRACT AWARD DATE
Buss & Job Dev. Fund	\$ 250,000	Dec. 2007		12/2007
RCBG	\$ 500,000	June 21, 2010		Pending
Private (AES)	\$1,750,000	N/A		January 2011*
TOTAL PROJECT FINANCING	\$2,500,000			

Bonneville County will sponsor the design and construction of the public works project.

\*The commitment of AES funding is contingent upon AES and Bonneville County reaching mutually agreeable terms for design and construction of the project and successfully obtaining the proper federal operating license for the Eagle Rock Enrichment Facility (EREF) construction.

APPLICATION CERTIFICATION: The data in this application is true and correct. This document has been duly authorized by Bonneville County Board and County Commissioners. The County will comply with all required certifications, laws, and regulations if the application is approved and selected for funding.

Name: (typed) Roger Christensen, Title: Chairman, Bonneville County Commissioners

Signature:  Date: June 21, 2010

## E. ECONOMIC ADVISORY COUNCIL - Page (200 Points)

In December of 2008 AREVA Enrichment Services LLC submitted an application to the U.S. Nuclear Regulatory Commission (NRC) seeking a license to construct and operate a gas centrifuge uranium enrichment facility in the United States. Specifically, AES selected a site in Bonneville County, Idaho for its new Eagle Rock Enrichment Facility (EREF). The selection of Bonneville County as the site for the new EREF was determined after much research and effort. AES considered the Bonneville site along with four other potential sites in other states. In the end, the Bonneville site was chosen in large part because of the overall economics of doing business in Idaho – utility costs, land costs, implementing the project and labor costs.

The new facility will provide AES customers with solutions for carbon-free power generation and electricity transmission by providing enriched materials needed to operate nuclear power plants. Ranked first in the global nuclear power industry, AES offers unique integrated materials and services covering every stage of the fuel cycle including fuel, reactor design and construction and related services. AES, headquartered in Bethesda, Maryland, has a proven track record of business success in the U.S. and operates in 20 states with a workforce of more than 6,000 employees.

Construction of the \$2.5 billion facility is estimated to begin mid to late 2011 and employ between 800 and 1,000 construction workers. This will bring a very positive economic impact to the region for the lagging construction industry. Initial operations for the EREF are planned to begin in 2014 and will create 250 new jobs ranging from skilled positions to management, professional and clerical workers. The compensation and benefits package is extremely competitive with other similar nuclear industry positions. The average employee wage is currently estimated to be \$50,000 per year plus a competitive benefits package. **Appendix a** provides an estimate of compensation rates and benefits. It is important to note that when fully operational, the EREF will have the potential to employ a total of 420 employees.

Bonneville County is seeking assistance from the Rural Community Block Grant program in order to construct highway improvements on Highway 20 which will provide ingress and egress to the Eagle Rock Enrichment Facility, thus maintaining highway traffic safety for the area. There will be peak periods of traffic on Highway 20 between the areas of Idaho Falls and points to the west during the 24/7 shift changes at the EREF as well as current traffic to existing Idaho National Laboratory facilities.

The County and AES are coordinating the road improvements with the Idaho Department of Transportation. The design and construction will be sponsored by the county conducted to meet the needs for safe travel. Final design approval will be sought by the Idaho Department of Commerce, and Transportation. Cost estimates are currently \$2.5 million. AES is committed to covering the cost for the Highway improvements above the \$750,000 grant amount. Funding for the infrastructure project is estimated as follows:

B&J Dev Fund	\$ 250,000
RCBG	\$ 500,000
AES	<u>\$1,750,000</u>
TOTAL	\$2,500,000

The commitment of funding from AES is contingent upon federal licensing approval for the construction and operation of the EREF.



## F. THRESHOLD FACTORS

### 1. Eligible Applicant (identify your eligibility refer to Chapter 2)

Bonneville County is an eligible applicant.

### 2. Eligibility Activity:

The project will construct improvements to public infrastructure in rural Bonneville County and will create 250 new jobs. These new jobs and the resulting secondary jobs will have a positive impact upon the entire County area and will also benefit the surrounding County areas. Thus this project has a widespread positive economic impact for eastern Idaho.

### 3. Administrative Capacity:

The Development Company of Rexburg, Idaho has experienced and Certified Grant Administrators on staff who are available to assist the County in meeting the grant requirements for the project.

### 4. Public Hearing:

Bonneville County conducted an advertised public hearing in an ADA accessible facility. Minutes of the meeting, the public hearing notice, a list of attendees and the Affidavit of Publication are included in **Appendix b**.

Date of Public Notice 02-19-2010 Date of Public Hearing : 03-01-2010

### 5. Job Commitment: Include documentation in **Appendix c**.

AES has provided a letter of commitment for the job creation contingent upon approval of the federal government's licensing processes. The contingent loan guarantee is in place and the Eagle Rock Enrichment Facility will employ 420 individuals on a year round basis. The compensation and benefits to be offered to employees are competitive and in keeping with other nuclear industry compensation packages.

### 6. Business's Ability to Finance their Portion of the Project: Include documentation in appendix.

Although AES is awaiting federal approval of the licensing this is a multibillion dollar project that has been highly publicized and thoroughly researched by the AREVA Board of Directors. The size and nature of AES precludes inclusion of financial reports within this application. Robert Poyser is Vice President of Regional Affairs for AES. Should the State of Idaho require financial information, arrangements can be made to obtain the information through Mr. Poyser.

## **G. GENERAL PROJECT DESCRIPTION**

### **1. Community Description: Attach Labor Market Profile**

The January 2010 Labor Market Profile is attached as **Appendix d.**

Letters of community support for the Eagle Rock Project are attached as **Appendix e.**

**2. Project Description:** Construction of road ingress and egress infrastructure to connect the new Eagle Rock Enrichment Facility (EREF) to Highway 20. The EREF site is approximately 18 miles west of Idaho Falls in western Bonneville County; the same route is used by the majority of federal employees to reach the Idaho National Laboratory site in Bonneville and Butte Counties. A map of the project area is attached as **Appendix f.** AES and Bonneville County will coordinate with the Idaho Transportation Department to determine the final design for the improvements which will offer the greatest safety without interrupting the traffic flow and safety for all travelers on Highway 20 between Idaho Falls and points to the west. Bonneville County will sponsor the public works project.

Cost estimates for the design and construction of the public works project are currently at \$2.5 million, as per the attached **Appendix g.**

### **3. Site Plans:**

Infrastructure improvement plan for ingress and egress from Highway 20 to the Eagle Rock Enrichment Facility are draft form. Design criteria being considered include traffic flow, safety, construction costs, longevity and maintenance. The improvements will be constructed within the existing Highway 20 right-of-way. For purposes of this grant application, the cost estimates are based upon the best available costs for the improvements, and are approximate only

## **H. LABOR PROFILE – BONNEVILLE COUNTY**

See **Appendix d.**

## **I. PROJECT BUDGET**

See **Appendix g.**

## J. Rural Community Block Grant Environmental Scoping

Applicant: Bonneville County Sub Recipient: n/a

Prepared by: Rick Miller Telephone number (208) 356-4524 x 314

This site and desk review checklist is to be completed by the Applicant and submitted with the application.

The purpose of the checklist is to help the Applicant and Idaho Department of Commerce better understand what environmental statutes or provisions might impact the public and private project.

### 1. Planning Review

Has the project been approved by the local government planning review process? \_\_\_ Yes X No

If yes, are there any conditional approvals? \_\_\_\_\_

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If no, what is the expected date that the planning review will be completed? Late 2010 to Early 2011

### 2. Historic Preservation

If there is a building involved with the project is the building listed on the National Register? \_\_\_ Yes \_\_\_ No X Not Applicable

### 3. Floodplain Management

Is the project located within a floodway or floodplain designated on a current FEMA map? Check Web site <http://store.msc.fema.gov/> \_\_\_ Yes X No \_\_\_ Not Sure

If yes, is the Grantee or Sub-recipient in the process of applying for a final letter of Map Amendment or Map Revision. \_\_\_ Yes \_\_\_ No

If the project is located in a floodway or floodplain, is the community a participant in the National Flood Insurance Program. Check Web site [www.idwr.idaho.gov/water/flood](http://www.idwr.idaho.gov/water/flood) \_\_\_ Yes \_\_\_ No

### 4. Wetland Protection

Are there ponds, marshes, bogs, swamps, drainage ways, streams, rivers, or other wetlands on or near the site? \_\_\_ Yes X No

If yes, has the Army Corps of Engineers (Corps) been notified? \_\_\_ Yes \_\_\_ No

Has the Corps indicated what permit level will be required? \_\_\_ Yes \_\_\_ No \_\_\_ N/A

If yes, what is the permit level? \_\_\_\_\_

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### 5. Sediment Control

Does the project require a storm water management or erosion plan? \_\_\_ Yes X No

If yes, what is the status of the plan? \_\_\_\_\_

Best Practices will be followed during construction of the road improvements within the highway right-of-way.

### 6. Clean Air Act

Does the project require a DEQ air quality permit? \_\_\_ Yes X No

If yes, what is the current status of the permit process? Explain \_\_\_\_\_

For building demolition or improvements has an asbestos analysis been planned for or conducted?

\_\_\_ Yes \_\_\_ No X N/A

### 7. Energy Efficient Designs

For building construction has the owner investigated possible incentives from power providers, such as Idaho Power, Avista, or Utah Power for incorporating energy efficient design into their building? \_\_\_ Yes \_\_\_ No X Not applicable.

### 8. Other Environmental Reviews

Has an American Society for Testing Materials (ASTM) environmental assessment been conducted or will be conducted? \_\_\_ Yes \_\_\_ No X Not applicable.

If yes, are there any identified concerns or recommended mitigation measures? \_\_\_ Yes \_\_\_ No  
List if known - \_\_\_\_\_

Is the site's previous uses known to have been a gasoline station, train depot, dry cleaner, agricultural operations, repair shops, landfill, etc.? \_\_\_ Yes X No

### 9. Adverse Impacts

Have any adverse environmental impacts been identified and addressed? \_\_\_ Yes X No

If yes, explain \_\_\_\_\_

## K. Project Schedule and Development Teams

PROJECT ACTIVITY	DATE COMPLETED	DATE TO BE COMPLETED
Engineering/Architect Contracted	N/A – using Idaho Trans. Dept. & AES Engineers	
Grant Administration Contracted		July 2010
Other Agency Apps Submitted	n/a	
Permits Identified & Approvals Secured Public Works Project		Fall 2010
Zoning Permits Secured	n/a	
Public Hearing Held	March 1, 2010	
Business' Job Commitment Finalized		*Fall. 2010
Other Agency Approvals	n/a	
Local Match Secured (Business is covering)		*July 2010
Business Financing Finalized		To be determined
Appraisal Completed		n/a
Property Acquisition Completed		n/a
Engineering / Architect Design Approved		July 2010
Bid Document Certification		November 2010
Bids Advertised		December 2010
Start Public Construction		March 2011
Public Construction 50% Complete		July 2011
Public Construction Complete		November 2011
Start Business Construction		August 2011
Business Construction 50% Complete		2014(1)
Business Construction Complete		2017(2)
Job Creation Completed		2017
Final Closeout Report		2017
Final Audit		2017

\*The AES conditional commitment is shown in their letter in **Appendix c.**

- (1) At this point the facility will be partially operational, and the 250 new jobs will begin work.
- (2) This estimated facility completion date will then begin the decrease of construction workers and begin full operations with a minimum staff of 250 full time employees. The potential to employ up to 420 full time employees is feasible, but it will not be determined until the construction and startup operations are complete.

## K. Project Schedule and Development Teams (continued)

### PROJECT DEVELOPMENT TEAMS

	Name of Individual and Firm	PHONE
Grantee Project Team		
Chief Elected Official	Roger Christensen, Bonneville County	529-1350 x 1360
Engineer –to be determined		
Project Developer	Ted Hendricks, The Development Co.	356-4524 x 312
Grant Administrator	Rick Miller, The Development Co.	356-4524 x 314
Clerk	Ron Longmore, Bonneville County	529-1350 x 1355
Id. Trans. Dept.	Blake Rindlisbacher	745-7781
Business Project Team		
AES – Vice Pres	Robert W. Poyser	(208) 227-9440
Project Manager	To be determined	
Design Professional	To be determined	
Contractor	To be determined	
Human Resources	To be determined	



## **L. REVIEW AND RANKING CRITERIA**

### **A. Community Distress Factors (200 Points)**

1. Unemployment Rate: The 12-2009 Idaho Department of Labor forecast unemployment rate for Bonneville County is 6.1%. While this percentage is below the State and U.S. rates, the County rate has almost doubled in a twelve month period while the number of individuals in the workforce has decreased by more than 1,000 in the same period. One of the areas most affected by unemployment is the construction industry.

2. Per Capita Income: The most recent Per Capital Income is calculated through the year 2006. Idaho's PCI for 2006 is \$29,920, and Bonneville County's is \$32,348. It is anticipated that this PCI difference is due in part to the stable work environment at the Idaho National Lab (INL) and the innovative business development and growth from various sectors within the INL into the local communities.

3. Local Economic Distresses: Initial comparisons do not point to economic stress for Bonneville County. However, the economy of eastern Idaho is closely linked. Of the nine east Idaho-Region VI Counties, only Bonneville has a PCI above the State percentage. The other eight Counties are all below the State PCI as are Bannock and Bingham Counties to the south. Averaging the nine Counties together brings the unemployment percentage to 9.6 for December 2009. One of the industries affected by the economic downturn is the construction industry. The construction of the EREF will create between 800 and 1,000 jobs during a six to seven year period.

4. Lack of Developed Business/Site/Infrastructure: The site for the Eagle Rock Enrichment Facility is 18 miles west of Idaho Falls on Highway 20. The nature of the business is best suited to a very rural setting requiring a large amount of land and a minimum of 250 employees for startup operations. These requirements create the need for safe ingress and egress for all travelers on Highway 20 whether accessing the new business site or other destinations such as the INL or communities to the east and west.

5. Lack of Funding Resources: Given the current economic climate, it is understandable that the costs to construct the infrastructure improvements are not within the County's budget. Nor could they be budgeted in the foreseeable future. The County needs the Rural Community Block Grant assistance to support the job creation activities and the long-term benefits that are to be derived from the EREF locating in eastern Idaho. AES is committed to covering the additional construction costs for the infrastructure improvements that will be above the grant funding of \$750,000, which includes the \$250,000 Business and Jobs Development Fund and the \$500,000 RCBG grant.

### **B. Project Benefits (200 Points)**

#### **1. Direct Job Creation**

Once fully operational, the facility will employ up to 420 full time employees. Positions will range from Management to Technical and Support.

## 2. Job Quality and Fringe Benefits

All positions will have a wage and fringe benefit package competitive with others in the nuclear industry. **Appendix a** is a table indicating estimated compensation for the various positions. The benefits package is additional and is approximately 30% of the wage.

## 3. Direct Secondary Jobs

During facility construction and beginning operations, it is estimated that 3,000 to 5,000\* (direct and indirect) secondary jobs will be generated or enhanced. Long-term secondary jobs are calculated for the impact the EREF will have on the sixteen counties of Regions V and VI. Calculations were prepared by the Idaho Department of Labor. The results of the calculations indicate a jobs multiplier of 2.94 and an earnings multiplier of 2.09. The printouts of the calculations are in **Appendix h**.

\*Provided by the Regional Development Alliance.

## 4. Project and Business Management Capacity

- a. AREVA Inc. (AREVA), the parent company to AES, operates facilities at 45 locations in twenty states and is the industry leader in the nuclear materials and services business in the US. AES selected Bonneville County as the home of the Eagle Rock Enrichment Facility after careful research of the eastern Idaho area as well as numerous other sites throughout the United States.
- b. AREVA, a multi-billion dollar company, is based in Bethesda, Maryland. The company employs approximately 6,000 employees in the US. In 2009, AREVA generated \$2.5 billion in revenues in the US. The company has a successful operations history as the leading nuclear vendor in the U.S. and as a key player in electricity transmission and distribution systems.

## 5. Long-Term Program

- a. Projected annual payroll for the Eagle Rock facility is expected to exceed \$25,000,000. This calculation is based upon information received from the Idaho Department of Commerce during project development meetings between the State and AES.
- b. Environmental impacts associated with the proposed highway construction project include the potential for fugitive dust and storm water runoff during construction. These items will be managed by "best management practices". The construction and operation of the EREF require extensive study and review of environmental issues. All of this work is completed within the licensing application to the NRC.



- c. County property taxes for the life of the EREF are estimated to be \$4 million annually once the project reaches a total expenditure of \$400 million.
- d. AES supports an Equal Employment Opportunity Program within all its business units.

**C. Community Support (200 Points)**

Address the following areas:

1. Project Support and Involvement

Letter of support from the Regional Development Alliance and other local organizations are in **Appendix e**.

2. Local Investment

Bonneville County is not in a financial position to contribute to the road improvements. Therefore, the construction costs above the \$750,000 grants will be provided by AES.

A letter of commitment from AES is in **Appendix c**.

3. Other Match

(Letters of commitment must be included in appendix.)

- a. No other match involved in this project.

**D. Project Feasibility (200 Points)**

1. Planning, Costs, and Schedule

- a. AES/Bonneville County will procure its own team of design engineers for this project. The Idaho Department of Transportation Engineering Staff will review work in coordination with the County and AES to determine the final design for the Highway 20 improvements.
- b. The project only involves the construction of Highway improvements. No other EREF construction costs are associated with this Grant.



- c. Easements are in place and the project will be within the existing right-of-way on Highway 20.
- d. No property acquisition is required for this project. This project will occur on the State owned right-of-way on Highway 20.
- e. Leasing – NOT APPLICABLE
- f. The status of the local planning review is: “Ongoing.”
- g. Building permits will not be required for the Highway improvements. The work will be coordinated with the County and the Idaho Transportation Dept.
- h. The project budget and schedule are on pages 10 and 13 respectively.

2. Cost Estimates

See Attached **Appendix g.**

3. Business Commitment. Attach:

Signed grantee assistance agreement

or

Business commitment letter: The letter of conditional commitment from AES is attached as **Appendix c.**

4. Creation of Marketable Asset

- a. Given the “necessary” rural location for the Eagle Rock Enrichment Facility it is less likely that neighboring businesses will locate near the site.
- b. Work created by the EREF facility will enable small businesses to expand. Therefore, the local and regional economy will grow from the return and recycling of each payroll dollar into the economy.